

Legislative Notice

No. 53

August 1, 2002

S. 2784 — Energy and Water Development Appropriations Act, FY 2003

Calendar No. 514

Reported as an original bill on July 24, 2002 from the Committee on Appropriations by a vote of 29-0;
S. Rept. 107-220.

NOTEWORTHY

- S. 2784 provides \$26.79 billion in appropriations for FY03, an amount which is \$988.6 million above the budget request and \$1.13 billion above the enacted appropriation for the current fiscal year.
- The bill provides \$5.41 billion to the Department of Energy for Defense Environmental Restoration and Waste Management, \$172 million more than the FY02 amount and \$862.4 million more than the budget request.
- The bill provides \$8.27 billion in FY03 funding for the National Nuclear Security Administration to improve security at U.S. nuclear facilities, which is \$244 million more than the budget request. Of this, \$6.11 billion of the Committee amount is for nuclear weapons related activities.
- The Committee reduces the Administration's request of \$209.7 million for civilian Nuclear Waste Disposal by \$153.7 million, which will slow work on the development of a permanent nuclear waste disposal facility. Funding for Defense Nuclear Waste disposal is reduced from the budget request of \$315 million to \$280 million.
- S. 2784 provides \$448 million for renewable energy resources, \$41 million more than the budget request and \$52 million more than the FY02 amount.
- The Committee provides \$4.65 billion for the Corps of Engineers, an amount which is \$475 million above the budget request and \$22.9 million more than the FY02 amount. The bill does not allow any new discretionary study or construction starts in FY03.
- The House Appropriations Committee has not yet reported its Energy and Water funding bill.

HIGHLIGHTS

Title I, Department of Defense: Corps of Engineers — Civil

- The Committee continues the basic mission and activities of the Corps of Engineers and appropriates \$4.65 billion (\$22.9 million more than FY02). The Committee exceeds the Administration's FY03 budget proposal by \$475 million. The Committee recommends appropriations including \$148.3 million for general investigations; \$1.75 billion for construction of water resource projects; \$337.9 million for Mississippi River and tributaries flood control; and \$1.96 billion for operation and maintenance activities of the Corps, \$81.4 million more than the FY02 appropriation and \$42.4 million more than the budget request.

Title II, Department of the Interior (Water Resources Development)

- The Committee appropriates \$956.1 million for FY03 for the Department of the Interior for water resources development programs. This amount is \$75 million above the budget request and \$11.6 million more than the amount for FY02.
- Of the total amount provided in Title II, the bulk of it, \$919.9 million, is for the **Bureau of Reclamation**. This includes the following funding items: \$816.1 million for the Bureau of Reclamation's Water and Related Resources projects, \$90 million more than the Administration's request; \$48.9 million for the California Central Valley Project Restoration Fund, the same as the budget request and \$6.1 million less than the FY02 amount; and \$54.9 million for Policy and Administrative Expenses, the same as the budget request and \$1.9 million over the FY02 amount.
 - Of this funding amount, the Committee makes \$45 million available for the **CALFED** program, \$30 million more than the budget request (no funds were appropriated in FY02). The Committee allocates the funds among seven accounts (see page 77 of the Committee Report).
- The Committee has allocated \$36.2 million for the **Central Utah Project Completion Account**, the same as the budget request and the same as the FY02 appropriation.
- Section 201 states requirements for the purchase or lease of water from the **Middle Rio Grande or the Carlsbad Projects** in New Mexico.

Title III, Department of Energy

- **Total Funding:** In Title III of the bill, the Committee provides \$20.96 billion for the various functions of the Department of Energy, which include general administrative expenses, nuclear weapons and environmental restoration programs, nuclear research activities, and the power marketing agencies; this amounts to \$1.09 billion more than FY02, and \$432.9 million more than the President's request.

- **Contractor Travel:** No limitations on contractor travel are contained in the bill. However, the Committee directs the DOE to maintain contractor travel summaries adequate for periodic reviews of programmatic relevance and costs of contractor travel.
- **Atomic Energy Defense Activities:** The Committee recommends \$15.78 billion for this category, \$868 million more than the FY02 amount and \$374.4 million more than the budget request. As a result of the enactment of the National Nuclear Security Administration Act, the Committee in FY00 put in place a new account structure that includes the following separate appropriations accounts for the National Nuclear Security Administration (NNSA): weapons activities; defense nuclear nonproliferation; naval reactors; and Office of the Administrator. The Committee recommends \$8.27 billion for the NNSA (\$244 million more than the budget request and \$676.8 million more than FY02). Of this total, \$6.1 billion is for weapons activities, \$1.12 billion is for defense nuclear nonproliferation; \$706.8 million is for naval reactors; and \$335.9 million is for the office of the administrator, which is \$23.3 million more than the FY02 amount. The Committee includes under Atomic Energy Defense Activities several other separate accounts: defense environmental restoration and waste management; defense facilities closure projects; defense environmental management privatization; other defense activities; and defense nuclear waste disposal.
- **Energy Supply Programs:** The bill provides \$815.3 million for these programs, which include solar and renewable energy, nuclear energy, non-defense environmental management, safety and health, magnetic fusion energy, research, and other energy support activities. This amount is \$148.6 million more than FY02 and \$121.4 million more than the Administration's request. The Committee recommends \$448.1 million for solar and renewable energy, which is \$52.1 million more than the current year and \$41.1 million more than the budget request; \$324.1 million for nuclear energy, which is \$97.3 million more than the FY02 amount and \$74.3 million above the President's request. The Committee again has modified the Administration's request for low-emission energy technologies, including hydro, renewable, and nuclear with a view toward post-2010 application of new technologies.
- **Non-Defense Environmental Management:** The Committee provides \$176 million for these programs, which is \$60.4 million less than the FY02 amount and \$10 million more than the budget request.
- **Uranium Facilities Maintenance and Remediation:** The Committee recommends \$471.2 million for FY03 — \$ 52.7 million more than FY02 and \$89 million more than the budget request.
- **Nuclear Waste Disposal Fund:** The Committee recommends \$56 million for civilian nuclear waste disposal for FY03, all derived from the nuclear waste fund. The amount is \$153.7 million below the budget request and \$39 million below the amount appropriated for FY02. For Defense nuclear waste disposal, the Committee makes available \$280 million from the "Defense nuclear waste disposal" account. The amount for defense is the same as the FY02 appropriation and a reduction of \$35 million from the budget request. The "Defense nuclear waste disposal" fund was established to ensure payment of the government's contribution to the nuclear waste repository program. The Administration requested \$315 million from the fund in addition to the \$209.7 million request from the Nuclear Waste Disposal Fund to continue work on the Yucca

Mountain, Nevada, waste disposal site. The Committee's reduction in the requests likely will slow the Yucca Mountain project.

- **Science:** The Committee recommends \$3.33 billion for FY03 — \$96.4 million more than FY02 and \$50 million more than the Administration's budget request.
 - **High Energy Physics:** The Committee recommends \$730 million, which is \$5 million more than the Administration's request and \$13.9 million more than FY02.
 - **Nuclear Physics:** The Committee recommends \$387.4 million, which is \$5 million more than the budget request and \$26.8 million more than FY01.
 - **Biological and Environmental Research:** The Committee provides \$531.2 million for FY03, which is \$ 3.8 million more than FY02 and \$27 million more than the budget request.
 - **Basic Energy Sciences:** The Committee recommends \$1.04 billion for FY03, \$25 million more than the budget request and \$40.9 million more than FY02.
- **Defense Environmental Management:** The Committee recommends a total of \$6.69 billion for Defense Management for FY03. Of this, \$5.41 billion is for Defense Environmental Restoration and Waste Management, an amount which is \$862.4 million more than the budget request and \$172 million more than FY02. The program is responsible for identifying and reducing health and safety risks, and managing waste at sites where the Department carried out nuclear energy or weapons research and production activities. The program is organized into two program accounts — a site/project completion account (\$981.4million) and a post-2006 completion account (\$3.4 billion) to reflect an emphasis on project completion and site closures. In the past the committee has allowed the Assistant Secretary for Environmental Management internal reprogramming authority. The Committee, due to dissatisfaction with the clean-up efforts, now requires that all shifts between accounts and sites of all Environmental Management funds be submitted to the appropriate House and Senate Committees for approval.
 - **Defense Environmental Management Privatization:** Of the \$6.69 billion for Defense Environmental Management, the bill contains \$158.3 million for privatization activities at various locations. This is the same as the Administration's budget request and \$4.8 million more than the FY02 amount.
 - **Defense Facilities Closures:** Also out of the Defense Environmental Management account, the bill provides \$1.13 billion for defense facilities closures, \$34 million more than the budget request and \$32.4 million more than the FY02 amount.
- **Federal Energy Regulatory Commission:** The Committee appropriates \$192 million — the same as the budget request and \$7.8 million more than FY02. (Revenues are established at a rate equal to the amount provided for program activities resulting in a net appropriation of zero.)
- **Power Marketing Administrations:** The Committee recommends \$203.5 million, which is \$6.1 million more than the budget request. (See the attached chart for Power Administration funding.)

Title IV, Independent Agencies

- **Appalachian Regional Commission:** The Committee recommends \$74.4 million for FY03, \$8.1 million more than the budget request and \$3.1 million more than the amount appropriated for FY02.
- **Nuclear Regulatory Commission (NRC):** The Committee recommends a gross appropriation of \$578.2 million for FY03 for salaries and expenses (plus \$6.8 million for the Office of the Inspector General) — \$62 million more than the FY02 appropriation and the same as the budget request. S. 2784 also requires the NRC, pursuant to an agreement reached in FY 2001, to recover 94 percent of its budget authority, less the appropriation from the nuclear waste fund, by assessing license and annual fees.

ADMINISTRATION POSITION

There was no Statement of Administration Policy available at press time.

COST

The Committee, in consultation with the Congressional Budget Office, estimates the bill would result in outlays of \$16.9 billion in FY03, \$7.8 billion in FY04, \$1.4 billion in FY05, \$111 million in FY06, and \$74 million in FY07 and future years.

POSSIBLE AMENDMENTS

Amendments are anticipated.

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Attachment: chart

Energy and Water Development Appropriations, FY 2003

(reported amounts of selected programs only)
(dollars in thousands)

<u>Corps of Engineers</u>	<u>\$ 4,647,953</u>
General Investigations	\$ 148,304
Construction	\$ 1,745,102
Op & Maintenance	\$ 1,956,182
 <u>Bureau of Reclamation</u>	 <u>\$ 919,921</u>
Water and related resources	\$ 816,147
 <u>Department of Energy</u>	 <u>\$ 20,961,784</u>
<i>Non-Defense</i>	
Energy supply	\$ 815,306
Environmental Management	\$ 176,000
Uranium Facilities Maintenance and Remediation	\$ 471,154
Nuclear Waste Disposal Fund	\$ 56,000
Science	<u>\$ 3,329,456</u>
High Energy Physics	\$ 729,980
Nuclear Physics	\$ 387,370
Biologic & Enviro Research	\$ 531,215
Basic Energy Sciences	\$ 1,044,600
Construction	\$ 257,071
<i>Defense</i>	
National Nuclear Security Administration	\$ 8,267,308
Environmental Restoration and Waste Management	\$ 5,406,532
Other Defense Activities	\$ 537,664
Nuclear Waste Disposal	\$ 280,000
Fed. Energy Regulatory Comm.	\$ 192,000
Power Marketing Administrations	<u>\$ 203,504</u>
Southeastern Power Admin	\$ 4,534
Southwestern Power Admin	\$ 27,378
Western Area Power Admin	\$ 168,858
 <u>Nuclear Regulatory Commission</u>	 \$ 578,185
	(-\$520,087 in revenues)

BILL TOTAL:	\$ 26,785,991
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